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Dayna R Robison 09/20/2006 11:05:17 AM From DB/Inbox: Dayna R Robison

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UNCLAS SECTION 01 OF 02 VIENNA 002765

SIPDIS

DEPT FOR EUR/AGS, INR/EU, AND EUR/PPD FOR YVETTE SAINT-ANDRE

OSD FOR COMMANDER CHAFFEE

WHITEHOUSE FOR NSC/WEUROPE

E.O. 12958: N/A  
TAGS: [KPAO](#) [AU](#) [OPRC](#)

SUBJECT: AUSTRIAN MEDIA HIGHLIGHTS: September 15, 2006

Elsner Arrested

11. The former head of Bawag bank, Helmut Elsner, has been arrested at his home in the south of France. Elsner is under criminal investigation in connection with currency speculations and losses at Bawag. The Justice Ministry in Vienna says the 71-year-old Elsner was arrested because there was a flight risk. Bawag lost more than one billion Euros in currency speculation deals and was caught up in the collapse of US company Refco. A formal request to extradite Elsner back to Austria to face charges is being prepared, Austrian media say.

SPOe - Greens Debate

12. Thursday's televised debate between SPOe chairperson Alfred Gusenbauer and Greens leader Alexander Van der Bellen showed the two parties agree on many issues, including taxation, health and women's policies. Gusenbauer and Van der Bellen disagreed on issues including environmental and immigration policies, ORF online news continues. However, they did find common ground on the Austrian Eurofighter deal and on scrapping university tuition fees. Van der Bellen also said he is doubtful about the SPOe's plans for massive tax cuts, although he emphasized his party would not oppose tax reform should such measures be "feasible by 2008 or 2009." Gusenbauer agreed, stressing the SPOe would cut taxes "as soon as we can afford it." Both party leaders declined to state their preferred partners for a potential coalition government.

EU Considers Palestinian Aid

13. European Union foreign ministers are meeting today to consider restoring aid to the Palestinian authorities following efforts there to form a national unity government to replace the Hamas-led government. Before the meeting, the EU's foreign ministers said support depends on the Palestinians' commitments to Middle East peace and good relations with Israel. Hamas had won elections in January, and the EU withdrew aid after the militant group refused to recognize Israel, notes ORF radio early morning news Morgenjournal.

Israeli Attack on UN Post a Tragic Mistake

14. Israel says the deaths of four United Nations soldiers in Lebanon were a "tragic mistake," which occurred due to errors in military maps. In July, an Israeli air strike in southern Lebanon killed four peacekeepers from Austria, Canada, China and Finland. Releasing the report on the tragedy, Israel's Foreign Ministry said the UN position was not clearly marked. A spokesperson said, if the military had known the target was a UN position the attack would never have been launched. The UN, however, says Israel was asked a dozen times to stop bombing near the post in the hours before the fatal attack. Semi-official daily Wiener Zeitung quotes a spokesperson for the Austrian Foreign Ministry as saying Austria needed to analyze the Israeli report closely before it could issue a statement on the matter.

False Info on Iran from Washington

15. The IAEA in complaining that a US report on the Iranian nuclear program contains "false, misleading and unverified information." Particularly, reports from Washington alleging existence of weapons-grade uranium in Iran are not true, the IAEA says. The International Atomic Energy Agency cannot confirm US claims that Tehran possesses weapons-grade uranium, mass-circulation tabloid Kronen Zeitung quotes. According to the IAEA, Iran only had 3.6 percent enriched uranium. To build an atomic bomb, while an enrichment level of 90 percent is required. The tabloid also quotes an unidentified Western diplomat as calling the issue "a dj`-vu of the pre-Iraq war period." ORF online news meanwhile reports that Washington has rejected the UN nuclear watchdog's allegations. A spokesperson for the Joint Intelligence Committee of the US Congress

stressed there were no "genuine mistakes in the report."

#### Senate Committee Defies Bush

16. A US Senate committee has defied President Bush by approving legislation to set up trials for foreign terrorism suspects. The Senators, including prominent Republicans, argued that proposals by President Bush would redefine the Geneva Conventions and allow harsh treatment of detainees at Guantanamo. The Senate committee's bill is backed by former Secretary of State Colin Powell, who publicly distanced himself from the Bush administration in a letter warning that redefining the Conventions would put US troops at risk, and Senator John McCain. ORF online news quotes from Powell's letter: "The world is beginning to doubt the moral basis of our fight against terrorism." Redefining Article 3 of the Geneva Conventions would merely increase these doubts, the former Secretary of State argued. ORF radio early morning news Morgenjournal meanwhile quotes Senator McCain as emphasizing he has "no doubt" regarding the accuracy of Secretary Powell's written warning: "As former Secretary of State and Chairman of the Joint Chiefs of Staff I think he deserves some consideration," McCain said.

#### Bleak Outlook for Iraq

17. An Austrian daily analyzes the situation in Iraq, and concludes that with all the factions fighting each other, the country is in danger of breaking apart. Iraq thus appears to be facing yet another crucial test. The daily's Middle East correspondent Karim El-Gawhari explains that the Islamic Revolutionary Council, one of the most prominent Shiite parties in the multi-party government, has proposed legislation which could lead to country's breakup: They have suggested setting up a semi-autonomous Shiite super-province including nine of the 18 Iraqi provinces in the southern part of Iraq, modeled after the Kurdish north. The plan however, was met with massive opposition, not only from the Sunni MPs, but also from the majority of religious Shiite parties in Parliament. Thus, the debate on Iraqi federalism has seriously clouded relations between the country's Sunni and Shiite groups, and has also made apparent the massive differences among the various Shiite factions themselves.

#### The Solution Cannot Be a Military One

18. ... says NATO General James Jones on the situation in Afghanistan. Instead, the fight against drug-related crime in the country has to be considered the number one priority. NATO's Supreme Allied Commander for Europe, Gen. James Jones emphasized that the situation in Afghanistan should not be reduced to the international forces' role in the fight against the Taliban alone. "Let's not make the Taliban appear more powerful than they are," he urged, speaking before the OSCE's Permanent Council in Vienna on Thursday. He explained that al Qaeda cells and the "massive presence of the drug cartels" was also responsible for the explosive situation in southern Afghanistan. Although NATO had "expected resistance and violence," its "intensity" as well as their "opponents' tactics" in the southern part of the country had come as a surprise. "Normally, they are not interested in keeping up the fight over a longer period of time," Gen. Jones said. At the same time, however, the General warned against focusing too much on the Afghanistan mission's military aspects, stressing he is convinced the solution could not be a military one. The international community's efforts in Afghanistan should turn towards fighting the drug trade in the country, which was "not under control and growing exponentially," partly because of the Taliban's close ties with "other criminal elements." Among other things, the General called for international support for the creation of a "corruption-free police" and a functioning judiciary for Afghanistan. McCaw